SUPPORTING STATEMENT
FOR
OMB CLEARANCE REQUEST – CONTROL NUMBER 1205-1417

WORKFORCE INFORMATION GRANTS to STATES

This is a request for continued approval of the information collection for Workforce Information Core Products and Services Grants to States under OMB Control Number 1205-1417. The Employment and Training Administration (ETA) is seeking OMB approval to continue the current collection requirements for an annual grant Statement of Work Certification, state economic analysis report(s), and an annual performance report. Since the last approval of this collection in 2005, ETA has met user needs by supporting the development of more local, timely, and usable workforce information. However, as America's work and economic landscapes change due to technological innovations and global competition, ETA has become cognizant of the need for broad-based strategic partnerships to drive economic growth and talent development in state and regional economies. In November 2005, ETA launched the Workforce Innovation in Regional Economic Development (WIRED) initiative to develop models that foster regional economic transformation across the nation; integrate economic and workforce development activities; and focus on talent development as the key to meeting the current and future skills requirements of a knowledge-based economy. Workforce information and high quality economic analyses have become critical to state workforce investment systems in that the information can drive talent development strategies that lead to economic growth and prosperity. ETA's goal is to continue the systemic transformation to workforce information and services that support regional economies. This approach furthers the new business model for workforce information ETA first introduced in 2005 and re-emphasizes the importance of state workforce investment board (SWIB) involvement in the development of the Workforce Information Core Products and Services Grants.

Annual State Certification of Required Grant Deliverables
States are required to submit a grant Statement of Work Certification affirming that the deliverables required by the grant Statement of Work instructions will be accomplished during the program year. The Certification must be signed by the governor, or by both the state workforce agency (SWA) and the SWIB. It is ETA's intent that the products and services delivered by these grants be an integral part of the statewide employment statistics (workforce information) system as required by Sections 111(d)(8) and 309 of the Workforce Investment Act of 1998 (WIA). It is also ETA's goal for the grant deliverables to support the state's overall plan for regional and local workforce investment; and, that the products and services developed through these grants remain responsive to users needs. The PY 2007 grant guidance attached to this supporting statement solidifies this intent by further linking, clarifying, and encouraging more meaningful collaboration and partnership between the SWA and the SWIB as states develop and pursue regional economic initiatives.

Annual Economic Analysis Report(s) for the Governor and the SWIB
Grantees are required to develop and publish annual economic analyses to inform talent and economic policy and investment decisions by the governor, the state and local workforce investment boards, WIRED regions and, other partners including community colleges, economic

development organizations and other talent development stakeholders. If this deliverable, in whole or in part, is the responsibility of another state agency or office, grantees are encouraged to explore opportunities for partnering and leveraging information with the responsible agency.

Grantees are encouraged to expand the scope and depth of the analyses they produce by including information based on needs identified through customer consultation from external, credible sources of workforce, labor market and, economic information in addition to the workforce information routinely produced by the grantee.

Annual Performance Report

Grantees are required to submit an annual performance report (29 CFR 97.40(b)(1), signed by the governor, or by both the SWA administrator and the SWIB chairperson 90 days following the end of the program year. The report must include a description of accomplishments compared to certified grant deliverables, and where appropriate, an explanation of why a grant deliverable was not achieved and what will be done to ensure accomplishment.

The report must also include a summary of the results of the grantee's customer consultations regarding workforce information products and services and, a summary of activities to be undertaken to improve customer value where needs for improvement are identified. The report may also include recommendations for consideration by ETA for changes and improvements to the required grant deliverables.

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

This collection of information is necessary to comply with the reporting requirements of 29 CFR Parts 95.51 and 97.40; OMB Circular A-102; and, the provisions of WIA Sections 111(d)(8) and 309. Section 309 of the Act requires the Secretary of Labor to oversee the development, maintenance, and continuous improvement of a nationwide employment statistics (workforce information) system; and to evaluate the performance of the system and recommend needed improvements, taking into consideration customer consultation results, with particular attention given to improvements needed at the state, regional and local levels. The required state certification of required grant deliverables, economic analysis reports, and annual performance report combined with the continued expectation of customer consultations, will serve to ensure that the Secretary meets WIA regulatory requirements.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

The policy development and oversight responsibilities of the Department of Labor (DOL) includes defining deliverables and accountability measures for the workforce information formula grants to states. ETA has used information provided by the state certifications and performance reports to assess the extent to which grant deliverables have been met, whether the investment of Federal funds achieved planned outcomes, and to identify possible technical assistance required by the states.

To ensure accountability for the investment of grant funds, ETA's regional offices will assess and document the effectiveness of grantee performance through the periodic review of states' progress towards meeting grant deliverables; customer consultations; and the annual performance reports.

The requirement for states to develop annual economic analysis reports ensures that the workforce and labor market information created through Federal funds supports and contributes to a more substantial role in state economic development strategies and decision-making activities.

The inclusion of customer consultations results as part of the annual performance reports ensures that states continue to assess the relevance of the workforce information provided by state employment statistics systems to its customers, evaluate the performance of the systems in meeting customer needs, and provides a basis for states to formulate continuous improvement strategies.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

ETA has and continues to require the use of electronic submission of workforce information grant annual reports and economic analysis reports as a means to reduce the state hardcopy reporting burden to the greatest extent practicable. However, the annual Statement of Work Certification and the accompanying transmittal letter must be signed by both the SWA administrator and the SWIB chairperson, or by the governor. Additionally, the required Application for Federal Assistance (SF-424) must be signed by the appropriate state designee. The grant application submittal must include an original and two hard copies of these documents in order to be considered for final approval.

Outside of the actual application submission process outlined above, grantees are also required to submit .pdf documents or links to .pdf copies of the state economic analyses reports (grant deliverable #3), and any special studies and economic analyses (grant deliverable #6). Grantees are also requested to submit, to the appropriate regional office, .pdf documents or links to .pdf copies of publications and other products produced with these grant funds considered to be of special interest to the workforce investment system.

Lastly, grantees must also electronically submit the required annual performance report as a .pdf file to the appropriate ETA regional office no later than 90 days following the end of the program year.
Since this information collection was last approved by OMB in 2005, the percentage of states

utilizing electronic formats to submit required grant deliverables has increased to approximately 90%.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information being requested is unique to these grants and is not otherwise available.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Responding to state efforts to collect customer satisfaction information is voluntary for small businesses and other small entities.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently as well as any technical or legal obstacles to reducing burden.

Management of the nationwide workforce information system requires the regular, reasonable collection of information to assure accountability for the investment of funds and that the grants are achieving planned outcomes. Further, Section 309 of the Act requires that the performance of the employment statistics system be evaluated annually, taking into consideration the results of customer consultations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that would cause this information collection to be conducted in any manner listed above.

8. If applicable, provide a copy and identify the data and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions

taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.
Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years, even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

To be completed after publication and receipt of comments.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

ETA will not provide any payments or gifts to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation or agency policy.

No confidential information is requested or collected from individual respondents.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons form whom the information is requested, and any steps to be taken to obtain their consent.

Not applicable.

12. Provide estimates of the hour burden of the collection of information. The statement should:

- **Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The total number of respondents is fifty-four (50 states, plus the District of Columbia and the territories of Guam, Puerto Rico and the Virgin Islands). Each respondent is required to submit an annual State Certification of Required Grant Deliverables, a state Economic Report, as well as, an annual performance report.

The estimates of burden are averages of experienced burden with the PY 2007 grant reporting requirements from seven (7) states. States were consulted on the amount of time required to prepare for upcoming program year grant activities (grant prep); develop an economic report; and, produce the proposed annual performance report including the results of the customer satisfaction consultations and assessments.

Activity	**Number of Respondents**	**Responses per Year**	**Total Responses**	**Hours per Response**	**Total Burden Hours**
Grant Prep	**54**	**1**	**54**	**63.22**	**3,414**
Economic Report	**54**	**1**	**54**	**433.86**	**23,428**
Annual Report	**54**	**1**	**54**	**80.22**	**4,332**
Totals	**54**	**3**	**162**	**577.30**	**31,174**

This request covers the time needed to identify upcoming grant activities (grant prep), one (1) economic report, and one (1) annual performance report. The burden hour estimate for each activity is listed above.

Costs based on experienced state burden compute to an average annualized cost of $2,402 for grant preparation and $3,048 for the annual report including customer consultation assessment results. The experienced average annualized cost per respondent for developing the economic report is $16,487. These amounts were obtained by multiplying the estimated burden hours by the average compensation of $38 per hour. (Source: Bureau of Labor Statistics, *National Compensation Survey - Employer Costs for Employee Compensation, State and Local Government 2004 – 2007, 2nd quarter.)*

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

- **The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items,**

preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**

- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

ETA does not expect that states will need to fund any of the required activities with state or other funding. Federal grant funds have been sufficient to fully support the planning and administration of the grant, produce required grant deliverables (including the economic report and customer satisfaction assessment), and report on grant activities.

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

The Federal government costs are divided between the ETA regional and national offices, and between the program and contracts and grants units in the national office. The identification of grant activities (grant prep) is estimated to require an average of 12 hours to review and to individually negotiate changes at the regional level; and, a total of 20 hours to review at the national level. The Federal cost for grant preparation activities is $3,171. See chart below.

The economic report is estimated to require 202 regional hours and 54 national office hours for processing and review. The Federal cost for the economic report is estimated at $8989. See chart below.

The annual report is estimated to require an average of 31(*) hours by the regional office and 2(+) hours by the national program office to review, discuss with grantee, determine if the work completed is in compliance with expected grant deliverables and to determine if any changes are necessary to program operations. The total estimated Federal cost for the annual report is $10,849. See chart below.

The total estimated Federal cost for this request is $23,009. See chart below. Regional office costs were calculated at $33 per hour, which is the average between a GS-12, Step 5 and a GS-13, Step 5. National office costs were calculated at $43 per hour for a GS-13, Step 5. (Source: Office of Personnel Management; *2007 General Schedule for Hourly Basic Rates by Grade and Step -- Excluding Locality Pay, and the 2007 General Schedule Locality Pay Table for Washington, D.C.*)

*Review of certified statement of grant deliverables, telephone calls/emails, negotiating changes to expected deliverables, consultation with grantee and national office, file review and maintenance.

+Review of certified statement of grant deliverables, possible discussion with grantee and/or regional offices, Web posting of submitted reports, and file maintenance.

Activity	Total Hours Regional	Total Regional Costs @ $33	Total Hours National	Total National Costs @ $43	Total Federal Costs
Grant Processing	**70.02**	**$2,311**	**20**	**$860**	**$3,171**
Economic Report	**202.02**	**$6,667**	**54**	**$2322**	**$8,989**
Annual Performance Report	**188.04**	**$6,205**	**108**	**$4,644**	**$10,849**
Totals	**460.08**	**$15,183**	**182**	**$7,826**	**$23,009**

15. Explain the reasons for any program changes or adjustments reporting in Items 13 or 14 of the OMB Form 83-I.

For Item 13, experienced estimates for hours required for grant preparation including a certified statement of grant deliverables signed by representatives of both the SWA and the SWIB (or the governor) increased by 21 to a total of 63 hours from the 42 hours per plan approved under the current collection. However, these additional hours are reflective of the joint grant development and planning efforts now expected from states by ETA, and still remain under the estimated 65 annual plan burden hours approved by OMB in 2002.

The economic report requires an estimated 484 burden hours per respondent, for a total of 23,428 hours. This report replaces the previously mandated customer satisfaction surveys, and represents a decrease of 3,306 in respondent burden hours from the 26,784 total hours (customer satisfaction measurement plus the respondents' burden hours) currently approved for collection.

The estimated hours required for a state to complete the annual performance report, including a discussion of customer satisfaction consultations and assessment results, increased by an average of 41 hours, indicative of the joint input, review, and discussion expected to take place as part of the annual report development process. The total estimated burden for the annual report is now expected to be approximately 4,332 hours for all state grantees.

This information collection request is expected to result in a total of 31,174 burden hours based the experienced estimates provided. These hours represent an overall net increase of 16 hours above the current OMB approved information collection total for this grant of 31,158 hours.

16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

Since PY 2002, we have published each state's annual performance report on a secure ETA supported Web site for public access and review, as requested by the grantees and the workforce development system. The PY 2007 annual performance reports will be posted on the Web site as well. The PY 2008 grant application packages will be due forty-five (45) days following the date of issuance of the planning guidance, although ETA Regional Administrators have the discretion to extend submission due dates if warranted. All annual performance reports are due ninety (90) days following the end of the program year per 29 CFR 97.40 (b)(1).

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The Department of Labor will display and cite the OMB approval number and expiration date as required.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submission," of OMB 83-I.

This information collection contains no exceptions to Item 19 of OMB 83-I.